

HUMAN RESOURCES MEMORANDUM 23-016		DATE ISSUED: 10/5/2023
SUBJECT: EXEMPT AND EXCLUDED EMPLOYEE COMPENSATION		REFERENCE: HR Manual - CalHR 1422
TO: All DGS Exempt and Excluded Employees		SUPERCEDES: HR Memo 23-011

Purpose

The purpose of this memorandum is to provide information regarding salary increases, Healthcare, Other Post-Employment Benefits (OPEB) contributions rates, and Travel for exempt and excluded employees effective for the 2023-2024 Fiscal Year.

Recently enacted legislation (SB 148) ratified Memoranda of Understanding (MOU) with State Bargaining Units 1, 4, 7, 11, 12, 14, 15, 19, and 21, and side letters with several State bargaining units. The following information outlines salary increases, pay differential adjustments, Other Post-Employment Benefits (OPEB) contribution rates, and other changes for excluded employees tied to these bargaining units, effective during the 2023-2024 Fiscal Year.

General Salary Increase

CalHR has approved the General Salary Increases (GSI) and Special Salary Adjustments for excluded employees tied to bargaining units with a scheduled increase effective July 1, 2023, as outlined in the table below:

Bargaining Unit	General Salary Increase	Special Salary Adjustment
SEIU Excluded	3%	
7 Excluded	3%	
12 Excluded		3 – 4%
19 Excluded	3%	

Excluded employees tied to Bargaining Unit 10 will not receive a GSI at this time. Most exempt employees will receive a three percent GSI effective July 1, 2023.

Special Salary Adjustments and Pay Differentials

Special Salary Adjustments and pay differentials approved in some MOUs and side letters will be extended to exempt and excluded employees, where appropriate.

Improving Affordability and Access to Healthcare

SEIU Local 1000 negotiated an additional state employer contribution of up to \$165 per month towards 2024 health premiums. Due to current programming

limitations in the state's payroll system, excluded employees tied to SEIU will receive a \$260 monthly health affordability payment, beginning with the December 2023 pay period. After tax considerations, this amount is roughly equivalent to the \$165 state employer health contribution for employees represented by SEIU Local 1000. The payment will also be provided to some exempt employees.

Other Post-Employment Benefits (OPEB)

Exempt and excluded employees directly tied to a bargaining unit will continue to prefund the same percentage as the bargaining unit to which they are tied. This table outlines the contribution rates effective October 1, 2023:

Bargaining Unit	Employee Contribution	Employer Contribution
SEIU (BU 1, 3, 4, 11, 14, 15, 17, 20 and 21)	3.0%	3.0%
2	1.4%	1.4%
7	4.0%	4.0%
9	2.0%	2.0%
10	2.1%	2.1%
12	3.6%	3.6%
13	3.0%	3.0%
19	3.0%	3.0%
Excluded and Exempt employees not directly tied to a BU	2.4%	2.4%

Exempt and excluded employees not directly tied to a bargaining unit, such as many of the employees who have an "E" CBID, will continue to contribute 2.4 percent of pensionable compensation to prefund OPEB.

Please refer to the "Additional Exempt and Excluded Classifications Prefunding OPEB with a Bargaining Unit" document found on the CalHR website for exceptions: [Additional Exempt Excluded Classifications Prefunding OPEB with a Bargaining Unit](#).

Workforce Stability Stipend

Excluded employees tied to BU 12 will be eligible to accrue a Workforce Stability Stipend up to a maximum of \$3,600. Employees will accrue \$100 for each qualifying pay period during 6-month eligibility periods. Stipends will be processed in six payments of up to \$600 in January 2024, August 2024, January 2025, August 2025, January 2026, and August 2026.

Travel

Excluded and exempt employees will participate in a business and travel expense reimbursement program to be implemented by the State that includes adopting the federal standard meal and incidental expense rate (M&IE) and lodging rates established by the federal General Services Administration (GSA). This shall include:

- Adopting the federal standard M&IE rate established by the GSA at time of travel for in state and out-of-state travel.
- Adopting federal standard and non-standard reimbursement rates at time of travel for in-state, out-of-state, and out-of-country lodging.
- Simplifying current reimbursement policy and administration and providing up to 75 percent of the federal standard rate established by the GSA for M&IE on the first and last day of travel.
- Eliminating the state's long-term travel reimbursement rates and adopting the federal standard M&IE reimbursement rates for long-term meals, and receipted lodging shall be reimbursed up to the maximum federal standard and non-standard reimbursement rates.

Summary of Agreements Reached

All MOUs and side letters referenced in this memorandum are published on the [CalHR website](#) and have been ratified by the unions and the Legislature.

Questions

If employees have questions not addressed in this memorandum, employees are encouraged to email LaborRelations@dgs.ca.gov

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